# - financial times 

 (Unilever makes $\$ 770 \mathrm{~m}$ bid for US hair care group
 prodututs The purchase overcomes a criticiel stansanal

 cramon puis out of US prosidential race











 mer welas pase 2



Remunt the stateontolved frenct velicils

Plan to boost La Scala approved: La Scala
and the Milan c cty authboritie approved a plan to
take over the running or the take over the rumuing or the trailinn opera house in
a anove to inject new capital and arovid the disputes
which haye often threatened to a pove to inject new capital and avoid the
which have often threatened to paralyse it
Page 2
Mobil, the US Oid group, is planining a Asty 2 tbn
 South. Atrici to Improve work conditions:
 changes to
stopped shortic of siek
mumem wager Page 5.
UK to oppose defence merger idear. The UK
Mriststy of Defence would oppose any attemptby
 space to merge their defence businesses, according
to pivivate MoD documeots. However, the companies are tikely to figith to get the poticy changed tu case
triey decide to merge Page 14 pey deciae to me

 Potvarain, the warld's laste
 Lenty. Page 15; Lex, Page 14 Formor Spanish judge gumed domm A
 rid. The police said it did no
sible fort the killing. Page 2
Deapths aheod of Bangladesth poll: Three
ppopie were enired in boubt blasts and auroud 150
injured

Portugal set to revorse time docision:,
Partugal is sexpected to bandinn Central Eurropean Partrual is expected to abandon Central European
Time and move its clocks back an hour the the same
time as the UK and Ireland aterer four years of arigatime as the UK and Ireland after four years of aize
ing with the rest of western Europe. Page 2
 Drinkor tohind bars apain Frenchma Drinikor bohind bars agains Freachman
philipe Delandscher has beej jailed for the 5 tist
mine in inlen northern France for stealing another imepin Linle. noprthern France, for stealing another
bootle of his faviourite aniseed-lavoured liquerr.







Dispute over drugs delays move to scrapping EU borders
By Ronald van de Krol
By Amsterdam and
David Puchan in Paris
The Schengen agreement on a
border-free Rurropan Union was
dealt
 continning clash between the
Netheriands and Francen
France clamms that the Nether-
 availe the connty a c condait for
mad
draps into the mest of druss into the rest of Earope-a
particinar target is the Nether-
pands
of practice of allowing sales iands', practice of allowing seles
of smanil quanatities of marijpana
at cof
 France, a member of the
Schengen clab, ceited the utan-
gers of unuss and terrorism as
its

 bowr and Relgium - in dissuan-
timg. ant horder cbecks on
travellers between the coumtries
last last year.
The decision to po postpone the
summit. peacilled tin for March 7, was taken at at meeting in The
Hague this week between Dutthe
and Frencc civil servants on
drags
 currently "Do prospect of the
sort of concrete achievement
expeet









## P\&G to cut prices

 in Europe's markets after US success
## Ey R Fodericak Oram, in Londan

## Procter \& Gamble yesterd sigaled a new low-pricing stran egy across Europe to iight cor exy across Europe to fight con tition from diecunters supermarkets own brand

 supermarkets' own brandsdetergents and other prodicts.
Thre propect of pprice
unsetled spare prices pite unse
Unile
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dist
 Since the 1970s, the Nether-
land has differentiated between
gard




 ow. bere benign vipew of smalls scale
mome cultivation of martinana. Gurusene said


 of trade sanctions on chanese
exports over atispute about the
piracy of computer and entertain. pracy of computer and entertain-
ment software
and the oigotiation breaks down
and the US thakes unialateral retal.
iatory measures we aloo have to

 Worth of Chinese products wie
will have to come up with a list
of ove

 improve now that the two coun-
tries bad overome dififerences
over the handove of Hong Kong
and She sa w "enormous" potenter
for expanding trade and mives
ment with the
UK, if
 aut impart oun trade and economic
copperation "
Ms Wr also warned that the US
 Most Frivoured Nation trade sta-
tusteres
tus which expires in lune tas which expires in June -a Ma Ma Wu hoped action by tbe
step which Would
increase tarifle ecrease tariffs on China's
entit to the US.
Shated theijing might
spond by penalising US compa
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C and effimistry by tho and Bel
 nswa "also prepared for the

China warns against sanctions

 only a few violations. It wa
impossible, even in industrialise apossible, even in in industrtialilled untries, to end all violations in
short priod of thime
 ons. it would oot encourage
hind to touperate ene enforcing
he copytight agreement China refuses to kow-tow, Page 4


Five－nation＇drugs summit＇postponed as France and Netherlands clash over policy

## EU open borders pact dealt new blow

| David Buchan in Paris | of | in agreeing practical measures to promote coopperation in fighting the trugs trade． | France might be reluctant to trople ment the Schengen accord fally even if the drogs dispate with the Nether－ | between hard and soft drugs，and has tended to treat drag addicts as |
| :---: | :---: | :---: | :---: | :---: |
|  |  | Bot they | es－ | s，not criminals．The Dntch gued that，by tolerating con－ |
| of open borders was dealt a further |  |  | on other factors，suech as＂the terror－ |  |
| it＂was postpuned |  | tio |  |  |
| ags summit was postpno | travelier | Prance，Beligiom，Luxembourg |  |  |
| meen | ${ }^{\text {rear }}$ | Germany could mee |  |  |
| se |  |  |  |  |
|  |  |  |  |  |
| rrues has made |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  | benign view of small－scale home cul－ ttvation of marijuana． |
| momer of the S | atries have made pro |  |  |  |

## UN prosecutor targets Bosnian Moslems



President Scalfaro prepares his next spin of the political wheel

## Italy awaits decision on poll





## By Robert Graham in Rome

 President Oscar Luigi Scalfaroyesterday refused to be hurried ntto a decision on dissolving
parliament following the fail．等 form a broad－based goverr．
pent pledged to reform the talian constitution
The head of state竍 the grounds that a poltions without electoral reforms an
tringent rules on fair med
coverage would create


 But yesterday the president
was under strong pressure
om the centreleft alizare to om the centronger aressure
aniance to
ot for an early general elec for an early general elec．
as Mr Maccanico formally
aunced hals role as primia inister－dess manale as prima oald be in April Hiance，headed right－wne form nii，was trying to drum a constituent assembly $\mathbf{W}$ dorsed in the past by路 were to the the


John Simkins on a scheme to inject new capital into Italy＇s opera houses
La Scala prepares to change its tune


Portugal set to move out of its＇dark age＇
ope．
on the
w．As a
ere after

Fall in German GDP likely


 1995 quarter，with output falling by 1 per cent in western
Germany against a rise In eastern German GDP of about 3 per
cent．
The Diw．which tends to take a fairly qloomy view of
German economic trends．was pessimistic about investment and exports．It pointed to recent sharp falls in industrial industry．Private consumption had probably suffered from higher social security charges，which hit low income households．It doubted whether tax cuts which took effect
in January would have a positive effect on first auarter

Spanish jurist shot dead
 One of Spain＇s sop jurists was university campus yesterday campaign coinciding with the
run－up to the countrya
general general election on March 3
Police said they were looking for a member of a Madrid
unit of the Basque separatist
organisation organisation Eta Mr
Franciso Tomas y viliente
63 ，former president of the Constitutional Court the
hienhest court
system spain
was shot tyal gunman as he was preparing
for a class at the university？ history of law．It Was the second interruption in the campaign，
following the tiling last week in San Seastion of Mr
Fernand Fernanao Mügica a prominent Socialist figiure in the Basque
conotry and brother of former justice minister Mr Enrique Mügica．one of the Socialist party＇s chief candidatesin in the
David White．Madrid
EU aid to ailing shipyard The European Unioo approved a DM1203m（（iss5m）loon
guarantee made to troubled German shipyard Bremer Vulkan，
 bigest shipyard afloat．

 Germany，unt the Commission belleves it was used elsewthere
hy the company．
Swedish groups endorse Emu The confederation of SWedish industries，which includes the
Country＇a
Volvo phalañ of of ine international manufacturess such as European Monetary Union and urged the Social Democratic
 strong ecconomic and monetary unfon with a strong euro is good for Europe and good for Sweden－the consederation said

## ${ }^{2} \mathrm{~m}$

 executives anof the powerf
companies．

 own network som March 13 ．TTM refused tor provide said Omnitel＇s network did not yet cover 40 per cent of the
 per cent of the land．John Simkims，Milan


## EUROPEAN NEWS DIGEST <br> MEPs vote for TV quotas

The European parliament yesterdiay voted in favour of
controversial proposals which would force European
 The vote was immediately condemmed by the media industry
which bad fircercly resisted the proposed amendments to the which had fiercely resisted the proposed amendments to the
Helervision
also sithout frontiers briad the sceat ting directive．The vote also sets the scene for a protracted row between the
parliament and national governments which have opp tighter limits on hroadcasting content． The parliament voted by 2922 to 195 for a hasit of proposals

 parliament＇s cultural committee Thisese inchidede extedoding the
rules on advertising to teleshopping and imposimg restrictions



German banks investigated
 said It said there was evidence that many German banks had
converted truegtraficking proceeds denominated in foreiga
 However，the prosecutors office did not name any banks．The
investigation running for veet dyear，is also examinig
charges that tank staff accepted bribes in the formo of gifts or charges that bank staff accepted bribes in the form of gifts or
cash for handiling the transactions．Strict German money
cal cash for handlling the transactions．Strict German money
laundertan dams demand that banks take partivalar
accepenting large depoosits from customers they donot already know．
LU warns Austria over accounts The European Commissioo yesteriday caused a poititical storn
in Anstria when it warned the Vienna government thas it must abolish all anonymons savings accounts．Earlier the
week，Mr Viktor Klima，the finance minister announced Austria will abolish hanonymous secrunties aceounts in
mid year，but will stila allow Austrians to keept the popular anonymous savines accoumts．This compromise was sarapp
citicised by the Compission，which argued in a letter that
aneon anonymous savings accounts alss violate EU Euididies
against money haundering．The Commission is also critical of the government＇s plan to phase out existing anonymous
securities accounts over 2 log period of time．Mr Kima

Italian telephone row resolved The Italian communications ministry yesterday resolved a rou
between the two rival companies competing for the cellular
phone market which had threatened the accord povering the
e for S Africa to cut work hours to create jobs

S
 generates new tension
John Barham on a three－nation dispute over water


 BANKING EXECUTVES
Profitability：The Goal of the 90＇s！ To make decisions you need to have the facts and not opinions，knowing the profitabiitity of your customers，
your products，and your organisation units is the sound foundation to making profitable decisions．
but．．．．
You have seen the cube，read the books，been to the seminars，had the consultants in，spoken
with the IT people，but you still haven＇t got the information on your desk，and you still don＇t

Finally：the solution is available Profit／Lsion／ETS will allow．Banks to determine the profitablity of their customer
relationships，financial products，and organisation units．It will provide the compare the performance of funds users and
providers，integrate profitability analysis with ProfitVision／EIS utilises cost allocation and funds transfer pricing techniques to provide a balanced and complete financial technology and has been developed using contemporary software

Amelia Financial Systems Ltd


 Oilmen face death threat
Algeria＇s Islamic extremists have warned the country＇s oil and
gas workers to stop work or face death，according to
communio

 including a ss．5bn deal for the development of southern oil
fileld with nritish Petroleum．An oil enhancement recovery
contraet with the US＇s Atlantic Richfield is expected to be
announced soon Somatrach，the state oil and gas company，yesterday
dismised the warning，saying the threats would not affect
operations．－They have in the past threatened to harm foreign $\begin{aligned} & \text { workers and this did not present a problem＂，a company } \\ & \text { spokesman said } \\ & \text { Doubataf，London }\end{aligned}$
Doubts surround Iraq oil talks
 continued into a second week amid conflicting reports about
whether progress had been made Mr Abdul Amir al Anbari．
the riaqi special envoy，appeared eager top put a positive spin
on the ivscusions during a briefing for non－aligned members
 have been reached in principle on the proportion of ald that
would go to the Rurd－run northern provinces of Iraq．But
other issues，such as distribution of aid in
 Zaire sabres fail to rattle exiles
 Kibumba camp－whicb was surronnded by Zairean troops and
sealed off on Tuesday－ealled to show any signsificant
increase．Kibumba is the first of 40 settlements，holding more
than Im Hutus who fied tha advance of the Tutsi－dominated Rwanda
close．


You may know the difference between the＂King of Burma＂and the ＂King of Bali＂，but you may not be as familiar with Futures and Options．

To become an expert in any field takes time．At UBS Private gether in an atmosphere of openness and trust，analysing care－ Banking we have been managing assets for our
clients for over 100 years．Obviously much has UBS Private Banking fully individual needs and setting targets appro－
priate to those needs．At UBS Private Banking changed in that time．But we still place great Eafcrite in macrag：ug your apeis we have always believed that a thorough under－ standing of your requirements is just as im－ relationship with each of our clients．This enables us to work to－portant as an extensive knowledge of global financial markets．

Gifis）Union Bank
$\qquad$

## Simex officials 'referred clients to trusted Leeson'

| Nicholas Dertor | hank with 8830 m ( $\mathbf{~} 540 \mathrm{~min}$ ) in losses. There is no suggestion of any impropri- | introduced Mr Philtppe Bomefoy of Earopean Bank \& Trust, a hedge fund based in | suffered losses. Simex officials did not discover that the trading was fictitious. | Simex also allowed Mr Leeson to engage in trades called "crosses" which are | competition with Japanese exchanges for hustiness, gave Barings an award for vol- |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Simex, the Singapore fatures exchange | ety on the part of Simex officials, but Mr | the Baham | although they knew Mr Bonnefoy. were | This was the device hy which the Rarings | ume in is 194. The report did not criticlse |
| Was so trasting of Mr Nick Leeson that it | Leeson's disclosure is acutely embarrass | Mr Leeson ased ur soanefoys fund as | aware of the exist accouat which Mr Leson hid fro | Suafled money around, creating |  |
|  | son had un Simex, which made the | superiors by disguising his own unauthor- | ings, and that it was showing huge losses. |  | as not avalla |
| merchant bank's collapse. | nge slow |  | ed concerns regaruag hr | , | - |
| One of the clients introdnced was the |  | Mr Bomefoy in limebruary 1995 , in the |  | The official Stugapore report sald Sim- | ' |
| cover for the derivatives trading hy which | ductions came directly from Mr Ang Swee. | tives thought it was this mystery client, | 龶 | ex's effiorts to promoth in Smapore migh have made it over | ng' Simex. |
| Mr Leeson eventually hrought down the | Tian, president of Simex. In 1993, Mr Ang | rather | the collapse of Baring. |  |  |




Central banker tries to dampen expectations of further rate rises

## Long-term credit rates up in Japan

| horrowing rose yesterday for the seconid time in two months, a consequence of the capital market's helief that a domestic economic recovery is under way. |  |
| :---: | :---: |
|  |  |
| Two long-term credit banks yester |  |
|  |  |
| rate, for- loans of more than a ye |  |
| castomers. |  |
|  |  |
| This followed e lead set a doy earlier. by ndustrial Bank of Japan. the leading |  |
| long-term lender. |  |
| Mr Yasuo Matsushita, governor of the |  |

In line with past practice the IBJ has
increased the rate whenever the gap
between the coupon and market on its between the coupon and mar the on 1 its
own मve-year debentures exceeds 0.2 own five-eyar debentures exceeds 0.2
percentage points. pointimg to a clear
ppward trend for long term rates Long-term rates have been tinching up
on the makrets belief that the Bank of
Japan wiil ventually tigten monetry
poilicy once the, recovery gathers policy once the. recovery gathers
foree.
Another glimmer of recovery emerged Another glimmer of recovery emerged
yesterday, when the Japan Deparment
Stores Association announced sales of Stores Association announced sales of
Toke dopartment strose rose in January.
hy 3.6 per cent from the same month

## Hopes grow for pact on Spratlys

| Peter Montagnnn, ia Editor, in London | of settling the issue of sovereignty could take years, he said. | calm tensions. "This has ra other claimants in the Spr |
| :---: | :---: | :---: |
| tions that Chima will ratify the UN | The Spratly islands straddele important | Djalal said. <br> Once the law of the sea wes |
| the sea convention the | deposits of hydrocarbons. |  |
| ont further hopes for defusing | became a focus of international tension- | ina was cla |
| Spratly islands in the South China sea, | cla | said At present Be |
|  |  | less their |
| who has been acting as mediator. | Th |  |
| lonesia's amb |  | China has now satisfied Indonesia it |
| maritime law, said | ved since Chin |  |
|  |  | field being developed hy Indonesla's Per- |
|  |  | ina and E |
| which wish to appoint juages to adjudicate |  |  |
|  | However, tensions hetween china | in the dispute and will hold a further |
| Once China ratiies the convention a |  |  |
| or |  |  |
| view. Ho |  | study of biodiversity in the S |

## EniChem Fibre

Invitation to offer to purchase $100 \%$ of the equity capital of Lorica Sud Srl,























 announcemment appearing in ltaioian newspeperas on februal perail.


## Opposition leader expects more 'harassment' during today's poll

Bangladesh PM warns on boycott



How The Global Express Takes 11 Aerospace Leaders On A Global Mission Every Day.


Business Airrafi Dirkion. Conadair
"Every day around the globe, Bombardier and 11 other leading aerospace companies are working togcther with a singular rision: Building the only ultralong-range business jet that will meet the requirements of the next century. This global mission reprecents a turning point in how corporate
aircraft are designed and built. And how business jets will be defined for years to come."

The Largest Cabin In Corporate Aviation
 Of course, such tremendous
speed and range calls for an environment
spacious enough to keep passengers
comfortable and productive. So we ve
ouffited the Global Express with the
largest cabin in corporate aviation.
Offering more personal space than any
other business jet while multiplying
the options for interior configuration.
But space in itself is just one element of
comfort you'll require. As such, the
Global Express sill offer three separate
temperature control zones. A dual-auto-
matic pressurisation system to provide
smooth climb and descent. And to
assure a very quiet cabin, the engines are
located aft of the pressure bulkhead,
nearly 3.04 m behind the last seat.

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Advances Of The Next Century
As globalisation continues, travel requirements will only become more demanding. And business leaders will be required to do more transoceanic flights than ever before. That's why we ve
designed the Global Express* business jet to the same uncompromising criteria for over water operations as today's modern airliners.

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Greater Access To Airports Around The World
International traffic at many airports is also expected to ancrease substantially in coming years. To avoid crowded airports,
we've selected Mitsubishi Heavy Industries to build an AR wom, we ve selected Mitsubishi Heavy industries to build an will enable the Global Express to takeoff from shorter
runways and reduce the distance and approach speed required for landing. Thus giving you greater access to smaller airports around the world.
Perhaps more than anything, time will continue to be the most valued commodity. To save you time on global flights, the Global Express wing has been carefully shaped to diminish the effect of drag-causing shock waves,
thereby allowing the aircraft to fly 12038 km at a rapid thereby allowing the aircraft to fly 12038 km at a rapid
Mach . $80,11723 \mathrm{~km}$ at an astounding Mach .85 , and 9260 km at an unequalled Mach .88. Bringing New York and Tokyo within nonstop range. And saving you time on every flight.
Fuel efficiency will also continue to be a concern for years to come. Which is why the Global Express utilises a 35 degree wing sweep and optimized winglets which will produce a higher lift-to-drag ratio, while helping reduce drag. As such, higher cruise speeds can be attained without increasing fuel burn.
The Optimal Environment For Pilots
In light of the special demands put on flight crews flying 12 to 14 hours across the world, Honeywell has been chosen to equip the Global Express with the next generation in avionics technology. The Honeywell Primus 2000 XP. Its high accuracy air data system precisely measures speed, altitude, temperature and other tight crical the fight. Maximising pilot productivity,
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The Global Express ushers in a new era in technology and international co-operation. In 6 time zones around the world, the skill and expertise of the world's leading aviation companies are
being focused on Global Express, around the clock. Building an aircraft of this stature opening a fresh page on the computer screen. And adopting a new way to transfer technology and exchange information within our worldwide consortium. A global team which unites our Canadair, Learjet, Short Brothers plc, and de Havilland divisions with Messier-Dowty, Abex NWL Aerospace, AlliedSignal, Honeywell, Sextant Avionique, Mitsubishi BMW Roll

To facilitate the communication bernca. partners on an up-to-the-minute bassis, secure electronic commu-
nications have been established which allow the transfer of management information and (computer aided three-dimensional interactive application), data is
transferred to the integration team via Integrated System Digital Network lines.
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A Global Understanding
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In Europe and Africa call: (44) 1252-844883. The Middle East: (971) 4-820397. Latin America: (407) 265-3580. North America: (800) 268-0030. Elsewhere: (514) 855-7698.

Revised forecast for inflation and fall in unemployment ease fears of slowdown in economy
Bank report hints at rate cut


UK NEWS DIGEST

## Sainsbury set on Irish project <br> J. Sainsbury, the UK stores group. has insisted that it s100m inevesment for Norther reland woul proceed unaltered. It It  the wake of Friday's RAA bomb attuck on Lodono's Don ckliands, Mr David Quarmby, Sainsbury's joint managing director, said  <br> Nuclear power stations criticised An audit bh government regulators of Britisb Nocicear Fuels' Sellafield and Drige sitits found a marked variation in bee quality of radioactive waste management at both sites, with The report, pbblis bed today, of the audit carried outt considered to pose an mmediate risk to workers or the public But the audit teamom from the Heallh and Safety Executive's Nuclear Inty Nutclear Installations Inspectorate a and HM Inspectorate of Pollution says decades of accumulation of radioactive waste  <br> Rail link details accepted Final details of the route of the i7.mile hiph speed Channel tunnel rail link have been accepted hy the UK government  <br> rail minister, said yesterday <br> A decision on the winning consortum to build dand operate the enine - planned to open in 2003 - is due wwithin the next few weeks. Charles Botchelor. London

BT to charge premium on lines
 raise line rentals and introd ouce innoveative pricing packages. othr pperators' services. Mr Don Cruickshank, director-geoeral or the Office of
 would be to ensure that such a charge was neither
discriminatory or anti-competitive.
Alan Cane, Lond
Nadir aide on trial
Mrs Slizabeth Forsyth, a former aide of Mr Asil Nadir. the
Polly Peck chairman travelled to SKitrerland to physically in casb from one bankk to another, an old Bailey jury heard yesterday. Herdenicion to do this rather than use the banks' normal
electrontc tonanter systems showed Mrs Frasyth knew she wi
nvolved in a dishonest operation to ivolved in a dishonest operatioo to launder stoleo money,
was alleged Mrs Forsyth denies two charges of handling


Company cars retain popularity
 optting for a cash allowance insteaa. have proved quirtit wrivens
The perk car is as popalar as ever, accounting for about 40 Although an ever trowinany's Ineet
 Blasted buildings still unsafe The nine most bady damaged hulldings from Frida's 1 RA
hast in London's Docklands were still too unsafe for propert
 debris for clues to the bombers' identity will surveyors be
allowed into the buildingss to complete detailed structural surveys. Tower Hampeto Tours. Construction Corresponde
inght.

Undertying inflation projection


## Doubts cast on

 costly MS drug By Jenny Luesby, in London annual review. Schering said
 reveals a repoptry due out wort today.
The drug Interferon beta-1
marketri by the the

## pa

 was launching as Betaferon.In the UK in
Decemher, following Decemher, following approva
by the European
tbe prem the preverioup monenth Comproission
At 53.75 a capsule, it cos
 lines on prescrrict Nion The guted
Iemob-
nom the author
 Consumers. Arossuced by bye the
doctors, has recommendiod that
the dras doctors, has recommended that
the drag should only be used
under trial



 the European Medicimes Evalu
atioo Agence said comprehen
sive information on iturality
safety and efficacy had no the Europe
ty har
he promo
he UK." Schering said the drug was suitable for about one in eight
of the so..00 ppeople in the UK
with MS. It did with MIS. It dido oot cure the
coodition hol halt it hut lead to
cewer relapses coodition or hall it hut lead to
fewer relapses.
It added that drug were not ioltitilly
intended to answer all quesions. For this reasen, patients
who dropped $\begin{aligned} & \text { out } \\ & \text { were }\end{aligned}$
dity xclanded from the te a analysis
the bulletin says this may bulletin says this may
distorted the results. nosomatic improvement
In addition.
20 per cent In addition. 20 per cent of of
relapsel were self reported ${ }^{\text {If }}$
the self-reporting $p$ pien removed from ting patients were
the lilutaions.
the difference in the proportioo of exaceranation.free sroportion subts
would not be staristically sig.
 Dr Collier sside: "WWe are not
persuaded that the drug is a
pood one." been provided. For this reaso
the approval was subject to a


## Major 'unscathed' by Scott

 from the world's stockmarkets. involved in:

- Management
- Marketing

Troops return ${ }^{\text { }}$ to Ulster in wake of bomb

| By John Kampfner in London, Stewart Dalby in Belfast and Caroline Southey in Strasbourg | Mr lan Palsley, leader of the Democratic Uninnist party, said yesterday that he was |
| :---: | :---: |
| Th | als for a referendum fr |
| d a Yorkshirebased bat | johinly Csthnlic Sncial |
| ock to Northern Ireland | Demncratic and Labnar |
|  | party, writes Caroline |
| lay's $\mathbb{R} A$ bombing in east | in Strasbourg. |
|  | The two men met yeterday |
| The decis |  |
| 50-strong battalion emerged against a backeroumd of risisg hostility from Ulster Unionists | Emropean <br> Parliament. <br> Mr Paisley said he would |
|  | "listen to what Mr Hume has |
|  |  |
| all-parts |  |
| Us |  |
| Unionist leader, said he was |  |
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| dan to wa |  |
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| John Major nex |  |
| The prime mimister |  |
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| lin's plans f |  |
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| The sorement is drawing | and that they wonld meet for |
| gnsultation paper on the |  |
| - | a phased withdrawal of |
| tives who would meet only in |  |
|  |  |
|  | large units on s |
| smaller groups. | ed, |
| Mr Trimble said: "Wr | ters made clear they were on |
|  |  |
| g to the | notice in the event of a crisis |
|  | the troop level back to 17,000 . |
|  |  |
| as to render the process me | measures, suspend |
|  | ceasefire, have been reintrod- |
| Mr Jacques Santer, presid | uced in Narthern |
| of the European Commissi | inclinding an |
| told the European that the EU would | of |
| Ecn 300m add to Northern | Ministers and securitr chiefs |
| Ireland. But, he said, "we can. |  |
|  | gency plans for further terror. |
| The extra soldiers sent | ist attacks on high-profile |
| ern | r individual |
| arrive in the next 48 hour | Senior officlals from |
| are |  |
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| ere $\mathbb{R} A$ | ground between the British |
|  |  |
| he government carried out | als for preparatory talks. |

# PHARMACEUTICAL ${ }_{\text {FT }}$ BUSINESS NEWS fINANCIAL TIMES 

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EUROPEAN NEWS DIGEST
Amer declines 60\% as golf sales slide
 competition. Amer, which bad warned ton July of lower figures
 (116.3) from FM2

The e rrupup ssid negothations were continumg between the
holders of tys controlling K shares and an anonymous bidder, or bidders, for the stock Operating profit fell to FM2838m from FM430m in 1994


 towards owergh price coumpetition in the skim market, and
beacause of toigh
oneit oneoff cosstr related to the reorganisation of production While
net sales of rollerblade skates rose sharply proittability was ne saesed rouerolade skates rose sharply proatabigity
hamperes by production problems cuased by surge in
demand and the markke'e strength relative to the dollar.

Kredietbank buys into Poland
 Strategy. which will involve further purchases of minority
holdigs in hanks in Humeary Slovakia and Slovenia. The
investment is the investment is the frss by a Belgian bank in Poland
Krodiethank
in the CZech Rest yeurl bought a minority stake in Bank Han in the Czech Repubulic.
 raise up to sigm fion foreign and local investors. In Apriil it
wism make a further share issuer reserved for the European
Bank for Reconstmation

 rank of Poland's medium-sized private banks. Last year,
Kredyt Bank reported net profits of 10.3 mm zlotys. Surge at Hafslund Nycomed

 NKIL1.3bm last time. Operating profit teefore research and






CarnaudMetalbox cautious
 per cent, the eroup said
In the fourth quartter alone, sales were ppo 4.8 per cent at
FFr. 6 bn on to volume growth in Eurupean metal packaging. The company

Changes at Rhône-Poulenc US
 sald Mr David Eckeert, president of the group's North American chemicals unit, would assume additional
responsibilties as Rhone Poulenc Inc's president and US
country reerresite country regresentative for the parent company, effective
January I lign. The company did not namp Mr Nefts
succossor as chief exceutitive.
Reuter, Princoton

Deutsche Babcock chief finds turnround elusive
Heyo Schmiedeknecht has little to show for years of costly restructuring, writes Michael Lindemann


Renault hints at earnings downturn



Revamp pays off as Uralita posts profit



## Merita ends four

 years of big losses
##  <br> 


severe economicic recession
Mr Valnimg
expected spo spid the group
expe
ment
reetid
 end of 1996 after closing 275
brancheso over two (years
The merger has made Merita

 corporate soth the retail ats
share of total markka pot it it share of total markika lending
to the publica at 48.8 per cent at
the yearenai ow half
 comprised Unitas results for
the fall year and KOP Ggures
from April 1995. Loan demand

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This announcemerta appears as a matter of record ont


Anglo American Corporation of South Africa Limited


The investment committee of pension funds administered by Anglo American Corporation has decided to appoint

Merrill Lynch Global Asset Management Ltd.
as an advisor for the management of non-Souch African pension fund assets

## Kix merrill Lynch

Faciliuxing broker
SM Smith Borkum Hare




INTERNATIONAL COMPANIES AND FINANCE YPF down $22 \%$ as gas sales fall

By David Pilling
Gn Buenos Aires

hydrocarbons company.
One VS analyst described
YPFe fourth-quarter resilts as
"terrible".


( 42 per cent to 51.2 sbn As the Buenos Aires stock
market neared its close, the YPF share price was down 5.3
per cent at
pal. 1.55 . However, sales ot Masus,
hich has important resources which has important resources.
nite
tus, Indonesia and Vene.
rose 24 per cent to sistm
 sing that YPr may be begen.
ing tomake eood tis pledge to
unn the loss-maling company odmering the quarter we con.

Buenaventura puts expansion in its sights
NYSE listing is on the agenda at the Peruvian precious metals miner, says Sally Bowen

F


 Taking up the option will cost yuenaventura about som with
fufty
future investment Ammone the 900,000 hectares.
of claims around Pera, the fur.
 ture oxith Asarco-controlled toin in An Apacuchon deepartment,
it shares another interesting venture with Newmiont
In late Janvary, it bought at

MOL Magyar Olaj- és Gázipari Rt.
Global Offering of 20,403,221 Global Depositary Shares

Offer Price: US\$8.10 per GDS
by the State Privatization and Holding Company of the Republic of Hungary
AJ

Joint Global Coordinators and Bookrunners

Dresdner Bank - Kleinwort Benson Lazard Capital Markets Merrill Lynch \& Co.

[^0]



FINANCLAI TIMES THURSDAY FEBRUARY 151996


## Cost cuts help Canon achieve 49\% advance



Chiyoda charged under Tokyo's securities laws

| By Whatham Dawkins in Tokyo | of blows to the standing of <br> Tokyo's capital markets. <br> The charpes against Chiyoda | tions, was indicted yesterday, while the Tokyo public prose cutor's office issued |
| :---: | :---: | :---: |
| Tokyo proiseicutors yesterday | came in response to ana accuss. |  |
|  | tion in December by the sectr. | or Chiyoda, |
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| of ile egrally 0 | dog set up four years ago | the SESC illegalls to have |
| ng clients for investo | in response to the:earlier share | demanded compensation were |
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| dinan |  | treome from share trading |
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| a several leamug star | clients losses or pad their |  |
| Inance ministry in 1991 for |  |  |
| guaranteeing. pronts for |  |  |
|  |  | alty is of overriding |

## ONA gets to grips with its image problem

The Moroccan group has been accused of being aggressive and secretive, says Roula Khalaf


20

## Lloyds Abbey looking for buys

| By Alison Smith,Investment Correspondent | $\begin{gathered} \text { ci- } \\ b e \end{gathered}$ | ence in this market, an assurer needed to have a witb-profits fund. | insist |
| :---: | :---: | :---: | :---: |
| yds Abbey | Soption is that Lioyds TSB | This type of fund wonld |  |
| er mainly owned by | would buy out toe minority | make it easier to provide cer- |  |
| ranks of potential purchas. | sel | the unit-linked policies it sells | e |
| K life ass |  |  |  |
| ance sector. | through a direct sales |  |  |
|  | ${ }_{\text {But Mr }}$ Stephen Maran |  | Trans Lehen, |
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|  | purchaser, saying it was on the | cent pest increase was in Black |  |
| of the s |  | Horse Financial Servi |  |
| is |  |  | possible compensation pay- |
|  |  | ing oniy to loyds tomers. where pretax |  |
| called into question particu- | ${ }^{\text {Wre man }}$ | rose from $£ 7.15 \mathrm{~m}$ to E 121.1 m . |  |
|  |  |  |  |
| tbe TSB |  | improved results was Black | pretax profits would bare |
| Group late last year. | Abbey Life already sells | Horse | risen by aboot 10 per cent ${ }_{\text {The }}$ results were better than |
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## Williams in $£ \mathbf{3 5 m}$ China venture

## By Daniel Boglor



 mood brands and has been growing at
about 50 per cent a year since 1988. The about so per cent a year since 1988. The
company exports hall
mostly to Norts
 Y30m compared with £250m turrover at accounting rules but its mareins fall short
of the 18 per cent return on sales at Yale.

## Results

|  | (m) |  | $\operatorname{mox}^{\text {matax }}$ |  | ms ${ }_{\text {(1) }}$ |  | cimmen | Dita | Cimdends. | cost |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | ${ }_{2}^{31.2}$ | ${ }^{85.71}$ | ${ }_{0}^{0.77474}$ | ${ }^{(5,722} \times 1$ | 20.4 |  | ${ }_{4}^{18}$ |  | $\stackrel{\text { nd }}{4}$ | ${ }_{45}^{\text {nil }}$ | ${ }_{4}^{\text {af }}$ |
|  | 23.1 | ${ }^{\text {H14, }}$ | ${ }_{264}^{264}$ | (1.52) | ${ }^{10.65}$ | ${ }^{17.981}$ | ${ }_{27}{ }^{4}$ |  |  | 4.05 | ${ }^{295}$ |
|  | ${ }_{2,20}^{3.279}$ |  | ${ }_{421.5}^{262}$ | ${ }^{(2726)}$ | ${ }_{39}^{39}$ | (29.9) | $\stackrel{3}{142}$ | ${ }_{\text {mata }} 9$ | 12.7 | 215 | 192 19 |
| Variman | 526 | (302) | 9.14 | [7,391 | 7.6t | 7.11 | 125 | Mif 3 | 1.125 | 1.65 | 1.5 |
| huestment Truata |  | (1) |  | tamb | Ps | (0) | ${ }_{\text {a }}^{\text {commen }}$ |  | canmonmend |  | ${ }_{\text {cosem }}$ |
| Eapt - 6 muts to bec 31 | 116.34 | (103.34 | 0.132 | (10264) | 046 | (0.93), |  |  |  |  |  |
| futcum |  |  |  |  |  |  | ${ }^{0.758}$ |  | 0.7 265 |  | ${ }_{6}^{325}$ |
| der Spoth |  |  |  |  |  |  | 215 | Mar 29 | 21 | 7.85 | 75 |
| Spotomin | 190.14 | ${ }_{(1764.43)}^{(17)}$ | ${ }_{0}^{125}$ |  | -5.4 | ${ }_{(14.06)}^{4.86)}$ | ${ }_{15}^{127}$ | ${ }_{\text {ma }}^{\text {Af }}$ 28 | ${ }_{13}^{122}$ | ${ }_{15}$ | ${ }_{13}^{4.82}$ |

## Hammerson extends French property side

## By Simon London,



Hammerson. the property company, has spent sifim
(s103m) to extend its $F$ French roperty interests including The actuisition
Thice building.
The compan $\substack { \text { riti } \\ \begin{subarray}{c}{2 \\ 0{ \text { riti } \\ \begin{subarray} { c } { 2 \\ 0 } } \\{\hline 15} \end{subarray}$ in one
locatio
The
indest avestment transactions largest
Paris ofthe market in recent
years and one of the most sig.
sint years and one of ine most sig-
nincant acquisitions by .
overseas property company.
Many French property ownems
to
to
m ers have been retuctant o sen
to avoid realising losses on
propertios. whinh have falien
in value over the last five
years.
The de Courceles bind years.
The rue de Courcelles build-
ing generates r rental income of
FTrim on and
the end of lease exping at Frrsim on a lease expiring at
the end of 19ar. mping an
initial yield at the purcbase

Further job losses at $R$ Dutch Shell

| By Robert Corzine |  |
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## LEX COMMENT <br> Lloyds Abbey <br> Yesterday's impressive Lloyds Abbey Litfo results from Lloyds Abbey   <br>  <br>  <br>  <br> ha investors, though, is how LAL will trim ollowing the merger of Lloyds Bank and TSB LALS     businesses together There is no probl <br>  

GT Chile board refuses to resign

| Roger Taylor | g to vote them out, bnt obvi- |
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| the GT Chil | ously we will if ime need to." |
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| majority sbarebolder in |  |
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| Resterday congifirmed that | Regen |
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| now held more tban 65 per |  |
| cent of GT chite, following a |  |
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| board to resign, bnt the board | de |
| bas refused on the grounds | satisfactory answers to our |
| that it needs to protect minor- | questions on its plans." |
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| Olin kings |  |
| nit Kingpin dir | from Regent Kingpin under powers given in tbe fand's |
|  | of association. |

## LIG restructures with German sale <br> The disposal programme at Gerran consumer basiness London International Group. based at Mônchengladbach. Up the the healtbcare products and condoms manuafacturer, has taken a further step with the sale of Plantur, sterman hair   

Attempt to demystify and simplify buy-backs
 always been the subject of
beated deate. Reuters, the
financial info
 group, has sparked a new dis-
cusson about the isvee with a
proposal that the regulatons
be simplified

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Our competitors may
seduce you, but will
they still respect you
in the morning?

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The Real Alternative

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FT MANAGED FUNDS SERVICE

## LONDON STOCK EXCHANGE

## Equities sustained by more takeover speculation


 An element of doubt and nerv-
ousness ahead of the Scott report orly sell-off on Woll Wail Street left an arn sen equity market marginally
don's easier on balance yesterday.
But
the modest
26
pohmits decline in the the modest 26 porats decline 3,745.0, masked a solid performance
by most UK stocks. Dealers said the by most UK stocks. Dealers said the growing feeling that ffurnher tal
over activity was about to over activity was
unleashed in London Second-line stocks continued to
attract widespread huying interest
which drove the FTSE Mid 250
index to another record finish. up
14 at 4,1617 . 1.4 at $4,161.7$.
Amoses a
host of bid stories circuAmong a host of bid stories circu-
lating in the Citrs trading rooms
was bdd for BET, the services group: groups of the UK's big property break-up bid for Potio: together rationailisation or Ploy. and Abbey Lhat has a 62 perc cent stake in wloyds
Abbey Life, was Abey Life, was simmine in Lit. Any
deal would involve the derrer
Abbey Lin Abbey Life, was imminent. Any
deal would inovive the demerge of
Abby Life and Bomaker and see
Lloys TSB TSB huy out the minority
of LALL
$\qquad$




## Takeover spotlight On BET

 mo we minn

 The two groups. both service
indusstry heaujweighs, have
long been subiject to bid specu-
 takeover specialists got tbe
bit firmly between their teeth shares. the heariest day's strad ine for five years.
BET was the day's fastest
 adding 10\% at 150 p for an over-
all inprovemeot since Decem
her of 25 per cent. Rentokil

P\&O hints


Traded
The two businesses have sig.
nificant overlaps. Oooe analys.
said yesterday.: It coould be
case of strong managemen
cbasing what has long been
seen as management shortcon

## Lasmo advances

## vances

 Exploration and productionon Insues erupted Into ife yes
terday, with analyts lo cerray. with analysts looking
very closely at tateover pros. pects for Lasmo. Interest was Gred by news unit is expectept to bid Astraizs
share for Ampolex of Austry share for Ampolex, of Austra
lia. The offer was 30 per cent


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 consitatig buther bushess matheations and provides proctical guidance fo sveryone inyowed in business management.
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## Financial Times.

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## US markets fall back in midsession trade

| all Street <br> shares were lower in midsion trading yesterday, after sions, as technology issues pped and the bond and carites Lisa Bransten in New k <br> At 1 pm , the Dow Jones reated back belowe had reated back below the 5.600 Standard \& Poor's 500 was lower at 654.79 and the aerican Stock Exchange aposite lost 1.50 to 559.12. W York SE valume came to $m$ shares. <br> Taders attribnted some of 8 expiry of options and ices on shares and share npy trading. The bond and rency markets were lower traders awaited economic ures due today. <br> echology issues were sed, with the Nasdaq comthe Pacific Stock Exchange nology index 0.6 per cent er. <br> irrus Logic, whicb makes iconductor equipment. sum or 16 per cent to $819 \%$ |
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Milan drops $3.6 \%$ as politics turn sour

weaknes to close urmer, but
the mood remained cautious as
the the SMI index rose 6.0 to
$3,266.1$. Swissair tumbled SFIT19 to speculation that it was consid-
ering withdrawing from its pargersitip with sabema, the
Belgian airine; which tas been Belgian airme, which bas be
hit ty a series of strike
SNI SMA the watchmaker, put
on SFIt at SFTTHE on improvon SFtio at SFTT36 on improving expectations fin
sales fivars, die son
BUDARESTI witnesse

 was the exception rather than
the nule, as mivestors contin-
ued to book profits
 VIENNA also had itc share of excitement. VA Technologie,
the enineering group, relin,
quished Sch55 at Schi, 354 quished Sch55 at schi,354
after warring that it faced a
dectine of Ito to 20 per cent in
 budget
The $A T X$ index drifted off
9.11 to 1055.13 .


## SIA PAGIFIC

Sydney spurred to two-year high by bid news

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## OF MAT

OFFICE OF WATER SERVICES WATER INDUSTRY ACT 1991, SECTIONS 8 AND 13 NOTICE OF PROPOSALS
if That Exs Surey Water ple replace The Sutoon District Water Plc as the water underaker
'21 that the conditions of appoinument of East Surrey Water ple be modiried.
Process
This notice begins a period of public consulation. Any representaions or objections athour any
or the maners described below should be in wriing and sent to the Direcior General of Water
 Proposal 1 - That East Surrey Water ple replace The Sutton D Proposal 1 - That East Surrey water plater undertaker for the latter's area.
East Surrey Water ple (Eist Surrey) and The Sutron Dissrict Waier Plc (Sutton) are water
underakers. Each holds an appointment from the Sercetary of Stare for the Environment and is

 ${ }^{3} \mathrm{ar}$ here. Eust Surey and Sulton seeve adjechi weas

Proposal 2 - Price Reductions and Modifications of East Surrey's Licence. East Surey's Conditions of Appoinment provide for increases in average prices for water
services, based upon changes in the index of Relail Prices and a factor (called $K$ ) expressed as a percentage. Whenever separale Appoinlees come under commoo ownership, the Direcior

 cior results from the $K$ faccors for East Surrey and Suton which the Director deermined in July 19941. Eart Surrey bas agreed his prop
East Surrey has also agreed to use best endcavvous io further reduce it $K$ factur from cost savings Finally, East Surrey has agreed that. until 1 April 2000, the charges which it makes to
 would have bee
implemented.





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INANCLAL TIMES THURSDAY FEBRUARY



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Symbol-laden odyssey





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## How to control your brain chemistry



LETTERS TOTHEEDITOR.
Number One Southwark Bridge London SE1 9HL

Globalisation benefits modernising economies ${ }^{\text {k }}$

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Good reasons why gold may Startling conclusion about not be used as real money




## the Singapore Chinese

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Moves to outlaw bribes would assist arms control efforts

| Mr Laurence Cockcroft. ve union leaders (Letters, uary 12) to the tougher en international arms n-governmental isations across Europe is d welcome. One of the driving this dangerous are the colossal pay-offs a can be achieved by iduals associated with deals either as buyers or s. <br> international the ne international legal |
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| in most states remains deductible |
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| The value of these bribes |
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In his 1995 report to
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he CIA, stated that
bribe to to potentiayment of of
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deals. Th OED countries are in
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regime in which transunatianal
bribes are (a) outlawed,
lonomer taxdeductible and
longer tax deductiwed end (c)
potentialy traceable through
the audit process.
the uadity rraceable through
implementation of the tive
recommendation
much to retaforce the code of
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of condrct rroposed as a meani
of limiting the amms trade, and
so begin to combat the so begin to combat the humana,
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caused by the killing industry causend economic damage the kilung im instry.
Transparency International Is
Elad the Cransparency International is
Elad the UK goverment has
taken a progressive
 Welcome a similar effective
stance, in particular, hy all
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Laurence Cockcroft,
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## Future of aid






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## Cyberlaws



## Engine of demand sputters

Mergers and joint ventures should top European carmakers' agendas as they face overcapacity and declining profits, says Haig Simonian


Thursday February 151996

Secret report rejects idea of GEC-BAe link

## UK defence companies face merger opposition

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| :---: |
| The UK Ministry of Defence would oppose any attempt by the General Electric Company, the British electronics company, and British Aerospace. the aircraft manufacturer, to merge their defence businesses, according to private MoD docuraents. been companies. which have been holding specuative talks on closer ties for several months, are likely to fight to get the policy changed. <br> The MoD's opposition to such a link-np is made clear for the first time in a secret document on the future of the European defence industry. While the department backs the merger of electronics across Europe, it specifically rejects the idea of component suppliers merging with aircraft makers. <br> It believes such mergers cut competition and rarely produce |
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## Gramm quits Republican race for the White House



Turkish parties to resume talks on coalition
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Refah. Turkey's Islamist party, Motheriano party acre to resume
talks today amid suggestions ciks today amid saggestions
that they have agreat to form a
new coaition government



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the reporti
Any involvement by Refah in a
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 conld weaken Turkey's connit
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base for western air operations
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Refah and its stup Iystr beliere Refah and its s.iph
porters are more immedtately
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action against Greece during the
 Aegean island - hut Refah
accused her or betrayal
TThe presence of (The presence of Refah will give the governmeat less room Aegean disputes," said one DS
andyst
Turbish television said las Tigr ish teievision said last
night the two parties ' leaders
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with Mr Mesut Yuman, Mother-
land party leader, heading the land party leader, heading the
goverument for it first period in
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Last night political analysts
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not to have agreed on basic pol-
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[^0]:    ABN AMRO Bark N.V. BA-GC Investment Bank Austria Aktiengesellschaft Banque Paribas Baring Brothers Limited Creditanstall-Bankverein CS First Boston Limited HSBC Invesment Bank Limited J.P. Morgan Securities Ltd Nomura international plc Salomon Brothers international Limired J. Henry Schroder \& Co. Limited

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